Economic and Social Research Council

Financial Review of Research Applications
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ECONOMIC
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COUNCIL

MAKING A DIFFERENCE

Full Economic Costing (fEC) Framework

➢ Transparent Approach to Costing (TRAC) system operated across University Sector

➢ Research Council (RC) funding framework provides Joint electronic submission (JeS) application facility to registered researchers

➢ Funding Guidelines on eligible costs

➢ Scheme rules and guidance provide further support for would be applicants

➢ Research Organisation (RO) staff are expected to be trained to produce fEC applications using TRAC data and agreed fEC formats for costings

➢ RO controls expected to be in place to vet costed applications

Application Validation Checks

JES System Checks on

1. Overall completeness of documentation

2. Institutional and researcher eligibility

3. Compliance with business rules

RC Checks on

1. Data completeness

2. Errors in applications

3. Reasonableness of application

4. Adequacy of Justification of Requirements

Peer Review Processes

➢ Levels of Resources sought appropriate to undertake/complete the project

➢ Includes consideration of under as well as over costing

➢ Value for Money (VFM) considerations – include reviewing justification for staff resource, equipment, T & S and other costs

➢ **EXCLUDES** questioning of indirects and estates (i.e. overhead inclusions)

➢ Reviewers are expected to consider the skill requirement for staff re-sourcing – but not the salary of individual researchers

➢ Also may seek re-assurance about the levels of other resource requirements – e.g. access to costed research facilities

Office Checks

➢Review of accuracy of costings

➢Review of Justifications of Requirements

➢Check on admissibility of items sought (e.g. whether allowed for via overhead costs)

➢Consideration of availability of researcher time against other known commitments

➢Reasonableness checks/follow up on TRAC indirect and estate rates applied in costings

➢Background assurance available from Cross Council assurance programmes (Quality Assurance Value (QAV) TRAC, Finance Assurance Programme (FAP)

Mechanisms to Revise Costings

➢ Rejection/Re-submission

➢ JES Doc Sync function for other changes to scope/costs (i.e. through the JES system)

➢ Ten day turnaround JES process – for university re-calculation of indirects and estates related to required changes in staff resource

➢ Cuts to amounts awarded – e.g. relating to invalid costs

➢ Indexation of agreed sums

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Financial Approval

➢Approval of investment: by Executive under delegated powers

➢Includes ensuring budget cover is available

➢Ensuring that investment is within RC vires (i.e. ambit and powers)

➢Investment achieves VFM

➢Check that all related peer review and other processes completed as approved by Council

➢Includes related party checks/clearances

Contract Approval

- ➤ Approval/Sign Off of Contract

- ➤ Ensuring that all financial aspects are correct

- ➤ All RCs issue grants under Cross Council standard terms and conditions

- ➤ Plus specific terms relating specifically to an individual grant e.g.

  - ➤ Award Deliverables

  - ➤ Financial Controls

  - ➤ Risk Management

Acceptance/Start Up

➢Award offer to Institution has a cash limited value

➢Institution required to formally accept offer within a set time

➢Acceptance triggers payments against an agreed payment profile

➢Payment normally paid on quarterly basis in arrears

Post Award Payments

➢**Grant Payments may be subject to re-profiling e.g. reflecting agreed grant extensions**

➢**Cash limit increases**

➢**Framework provides for interim expenditure statements/annual claims**

➢**At end of grant, Institutions required to provide final claim/final expenditure statement within three months of end date, and final report**

➢**Financial sanctions may be applied in the event of late claims or reports**

➢**Within the fEC funding framework, Directly Allocated (DA) costs (researcher costs, indirects and estates) are paid against original estimates. Directly Incurred (DI) costs are paid against actual expenditure**

➢**RCUK Funding Assurance programme visits include voucher checks. Individual RCs may also request transaction details/vouchers within HQ final claim checks**